GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4982
ANSWERED ON:31.03.2017
Malpractices by Petrol Pump Owners
Roy Prof. Saugata

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has noticed the malpractices done by owners of petrol pump, CNG and gas agencies on the transactions of the currencies of Rs.1000 and 500 after demonetization;
(b) if so, the details thereof;
(c) whether the Government has scrutinised their deposits and sales of that particular period; and
(d) if so, the details thereof and the action taken thereon?

Answer

MINISTER OF STATE FOR FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a) & (b) : Investigations conducted by the Income Tax Department (ITD) post demonetisation have revealed various kinds of malpractices and manipulations by certain persons/entities including owners of petrol pump, CNG and gas agencies. Appropriate action against such persons is taken by the jurisdictional authorities of the ITD as per provisions of the Income-tax Act, 1961. In case of violation of other laws, information is also shared with authorities concerned.
Disclosure of information in respect of specific entities, however, is prohibited except as provided under section 138 of the Income-tax Act, 1961.

(c) & (d): While deposits and sales of all petrol pumps, CNG and gas agencies have not been scrutinised; however, in certain cases of petrol pumps/LPG distributorships/CNG Pumps, excess cash deposits over and above the sales made in the corresponding period have been found during the enforcement actions by the ITD.
During the period 9th November 2016 to 10th January 2017, more than 1100 search and survey were conducted by the Income Tax Department, apart from issuing more than 5100 verification notices in the cases of suspicious high value cash deposits or related activities. These actions led to seizure of valuables of more than Rs. 610 crore which includes cash of Rs. 513 crore. Seizure of cash in new currency notes was about Rs 110 crore. Further, the undisclosed income detected in these actions was more than Rs. 5400 crore. Further, ITD has initiated "Operation Clean Money" (OCM) on 31st January 2017 to leverage technology and data analytics for e-verification of cash deposits made during the demonetization period i.e. 9th November to 30th December 2016 to reduce compliance cost for the taxpayers and optimise Government resources. Under OCM, about 18 lakh persons have been identified whose tax profiles were prima facie not in line with the cash deposits made by them during the demonetization period. As part of the initial phase, the ITD has sought online response as per pre-defined parameters on source(s) of cash deposited by such persons through its e-filing portal.

More than 12 lakh responses have been received from 8.38 lakh distinct PANs/persons. In case explanation of source of cash is found justified, the verification is closed. The verification is also closed if the cash deposit is declared under Pradhan Mantri Garib Kalyan Yojna (PMGKY). Enforcement actions such as searches and surveys are also conducted in appropriate cases including those who are non-compliant.

Action in such cases is part of continuous process under the Direct Taxes law. Such actions include assessment of income, levy of taxes, penalties, etc. and filing of prosecution complaints in criminal courts, wherever applicable.